

Davida Grant
Senior Counsel

SBC Telecommunications, Inc.

1401 I Street NW
11th floor
Washington, DC 2005
Phone 202-326-8903
Fax 202-408-8763



ORIGINAL
EX PARTE OR LATE FILED

RECEIVED

APR 23 2001

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

April 23, 2001

Via Courier

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
Office of the Secretary - Room TWB-204
445 Twelfth Street, SW
Washington, DC 20554

**Re: Ex Parte-Preferred Carrier Freezes
In the Matter of Implementation of the Subscriber Carrier Selection
Changes Provisions of the Telecommunications Act of 1996, Policies and
Rules Concerning Unauthorized Changes of Consumers Long Distance
Carriers, CC Docket No. 94-129**

Dear Ms. Salas:

SBC Communications, Inc. respectfully requests that this letter be included in the
aforementioned docket. In accordance with section 1.1206(b) of the Commission's rules, an
original and one copy of this letter is being filed with your office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Davida Grant". The signature is written in dark ink and is positioned below the word "Sincerely,".

Davida Grant

cc: Michele Walters
Dana Bradford

No. of Copies rec'd 072
List A B C D E



April 23, 2001

Ms. Michele Walters
Associate Chief, Accounting Policy Division
Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

RECEIVED

APR 23 2001

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

**Re: Ex Parte- Preferred Carrier Freezes
In the Matter of Implementation of the Subscriber Carrier Selection Changes
Provisions of the Telecommunications Act of 1996, Policies and Rules
Concerning Unauthorized Changes of Consumers Long Distance Carriers, CC
Docket No. 94-129**

Dear Ms. Walters:

Per your request, SBC Communications, Inc. takes this opportunity to comment on how the Commission should address preferred carrier freezes in conjunction with its streamlining efforts in this docket. At the outset, SBC urges the Commission specifically to address preferred carrier freezes (freezes) in any rules that are adopted in this proceeding. WorldCom is correct that SBC and its local exchange companies are unclear as to whether a waiver of the Commission's carrier change order and verification rules is sufficient to enable a local exchange carrier (LEC) to override a preferred carrier freeze to effectuate a carrier change.¹ SBC agrees that clarity is needed, particularly since the Commission's previous waiver orders have not specifically addressed preferred carrier freezes and LECs' obligations to "lift" a freeze in instances when they are not a party to a sale or transfer transaction.

SBC recommends that the Commission adopt a rule that requires the selling carrier, as part of its pre-transfer notification, to notify its affected customers that if they have a preferred carrier freeze on their account, the applicable freeze will be overridden for the purpose of the transfer or sale. (Where an existing preferred carrier freeze is unrelated to the proposed transfer – e.g., a transfer of interLATA toll provider on an account with an intraLATA toll freeze – the unrelated freeze will not be affected.) This notification eliminates the need for the carrier administering the preferred carrier

¹ See *Ex Parte* of WorldCom, CC Docket No. 94-129 (filed April 9, 2001).

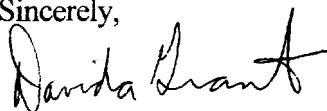
freeze to obtain the affected customer's consent to lift the freeze to effectuate the carrier change, as required under Section 64.1190 of the Commission's rules. SBC also requests that the Commission adopt safeguards to preserve the value of preferred carrier freezes. While SBC does not propose specific safeguards, such safeguards are necessary to prevent carriers from using the Commission's streamlining rules as a green light to make frequent and insubstantial transfers of subscribers between affiliated companies.

In addition, SBC requests that the Commission require competitive LECs (CLECs) selling or transferring subscriber bases to other CLECs to provide the underlying facilities-based LEC administering the freeze program authorization to lift any freezes, where necessary, to effectuate the request. Otherwise, the carrier change orders for accounts with a freeze likely would be rejected, resulting in service disruptions for consumers. SBC also asks that the Commission adopt a rule clarifying that carriers must continue to file waivers of its carrier-change authorization, verification and preferred carrier freeze rules where a proposed transfer or sale of a subscriber base does not qualify for streamlined treatment.

Lastly, SBC requests that the Commission include in any streamlining order language recognizing that carriers administering preferred carrier freezes are free to develop mechanisms, consistent with federal and state laws, to recoup costs associated with lifting or overriding preferred carrier freezes for bulk transfers of subscriber bases qualifying for streamlined treatment. This is critical because many carriers administering freezes currently may not have systems and procedures in place to effectuate bulk transfers notwithstanding freezes. Without such ability, carriers would have little incentive to continue offering preferred carrier freeze programs.

Should you have any questions or concerns regarding the proposals outlined herein, please contact Michael Alarcon at (202) 326-8874 or Davida Grant at (202) 326-8903.

Sincerely,

A handwritten signature in black ink, appearing to read "Davida Grant". The signature is fluid and cursive, with a large, stylized initial "D" and "G".

Davida Grant
Senior Counsel
External Affairs - FCC